

Message Text

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PAGE 01 TAIPEI 02471 041405Z
ACTION EB-07

INFO OCT-01 EA-07 ISO-00 L-03 SSO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02
FAA-00 INRE-00 /029 W
-----041439Z 126811 /46
O 300135Z APR 77
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC IMMEDIATE 3377

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E.O. 11652: N/A
TAGS: EAIR, TW
SUBJECT: CIVAIR-GROC ATTEMPT TO ANNUL FREIGHT RATE

1. EMBASSY HAS VERIFIED ISSUANCE OF ORDER BY CCAA
DIRECTOR GENERAL MAO YING-TSU ON APRIL 23 TO
CHINA AIRLINES, WITH INFO COPIES TO TWELVE OTHER
AIR CARRIERS AND TAIPEI AIR FREIGHT FORWARDERS'
ASSOCIATION, TERMINATING SPECIAL CONTAINER RATES
9902, 9903, AND 9904 EFFECTIVE MAY 1.

2. IN ACCORDANCE WITH INSTRUCTIONS REFTTEL, #
EMBOFF PRESENTED TO MAO AFTERNOON OF APRIL 29
ARGUMENTS AGAINST UNILATERAL CANCELLATION ABOVE
RATES BY GROC, REQUESTED INDEFINITE DELAY IN
IMPLEMENTATION OF ORDERS, AND
SUGGESTED THAT GROC PRESENT ITS VIEW TO USG AT
APPROPRIATE LEVEL. MAO'S POSITION WAS THAT 9902,
9903, AND 9904 WERE NOT PART OF SAN DIEGO IATA
PACKAGE, AND CONSEQUENTLY THEIR CANCELLATION BY
GROC IS PROPERLY UNILATERAL, RATHER THAN BILATERAL
QUESTION. EMBOFF STRESSED POINT THAT USG BELIEVES
UNILATERAL ACTION IS VIOLATION OF BASIC 1946
AGREEMENT AND THAT QUESTION SHOULD BE RESOLVED
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PAGE 02 TAIPEI 02471 041405Z

THROUGH GOVERNMENT-TO-GOVERNMENT
DISCUSSIONS.

3. EMBASSY HAS JUST BEEN INFORMED BY MAO'S
OFFICE LATE FRIDAY AFTERNOON THAT EFFECTIVE
DATE OF IMPLEMENTATION HAS BEEN DELAYED, PER OUR
REQUEST, BUT ONLY TO JUNE 1.

4. ABOVE INFORMATION WAS PASSED TO NW AIRLINES
TAIPEI REPRESENTATIVE VIA CHINA AIRLINES BEFORE
EMBASSY WAS INFORMED.

5. IN VIEW OF FACT THAT DELAY IN EXECUTION OF
CCAA ORDER IS FOR ONLY 30 DAYS, RATHER THAN
INDEFINITE PERIOD REQUESTED BY USG, SUGGEST THAT ANY
FURTHER INITIATIVES SHOULD BE STARTED IMMEDIATELY.
SHOULD RESISTANCE ON PART OF CCAA AND MINISTRY
OF COMMUNICATIONS PROVE INSURMOUNTABLE, EMBASSY
IS PREPARED TO MAKE APPROACHES TO MOFA POINTING OUT
THAT HONG KONG AND KOREA HAVE ACCEPTED NW AIRLINES
COUNTERPROPOSAL TO IATA PACKAGE, A COUNTERPRO-
POSAL WHICH RETAINS 9902. SHOULD THE GROC DEPRIVE
ITSELF OF CHEAPER AIR FREIGHT RATES WHILE
COMPETITORS RETAIN THEM, IT WOULD BE PUTTING
ROC EXPORTS AT A COMPETITIVE DISADVANTAGE.

6. FYI: MAO'S RATIONALE, ACCORDING TO NW
REPRESENTATIVES, WAS NEED FOR INCREASED CARRIER
PROFITS. REAL REASON, HE SUSPECTS, IS ADMINIS-
TRATIVE HEADACHES RESULTING FROM TRYING TO POLICE
FOR GENUINE ELIGIBILITY SHIPMENTS BEING MADE
USING SPECIAL CONTAINER RATE CATEGORIES BUT OFTEN
TAKING IMPROPER ADVANTAGE OF THEM. EMBASSY AGREES
THIS IS FACTOR, SUSPECTS ALSO THAT PRESSURE FROM
CHINA AIR LINES COUPLED WITH DIFFERENCE IN VIEWS
AMONG AMERICAN CARRIERS AND DESIRE TO BE RID OF
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PAGE 03 TAIPEI 02471 041405Z

CONFLICTING PRESSURES HAS PLAYED A
SIGNIFICANT PART IN MAO'S DECISION TO TRY TO
ABOLISH 9902 SERIES.
UNGER

NOTE BY OC/T:#REFTEL OMISSION AS RECEIVED

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: AIR TRANSPORTATION, POLICIES
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TAIPEI02471
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770156-0612
Format: TEL
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977041/aaaaaacd.tel
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Litigation Codes:
Litigation History:
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Review Exemptions: n/a
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: CIVAIR-GROC ATTEMPT TO ANNUL FREIGHT RATE
TAGS: EAIR, TW, US
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